

**Forest Carbon Partnership Facility (FCPF) Readiness Mechanism
Readiness Preparation Proposal (R-PP) External Review Template**
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TAP Synthesis Review of R-PP of: ARGENTINA

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DRAFT

Summary of Review and Recommendations

The TAP is generally pleased with the effort that has been put in preparing the RPP and encourages additional effort in improving Argentina's R-PP presentation for the next round. The key components to be improved are: The organization and Consult; Stakeholder Consultation and Participation; REDD Strategy and the Program Monitoring and evaluation framework.

Strengths of the R-PP Document:

- The design of the consultation that identifies "informing" as a key first step.
- The deep analysis of the legislative context and the apparent success of the *Ley de Presupuesto Minimo para la Proteccion del Bosque* (LPMPB) that apparently curbed deforestation in one of the country with the highest rate in the region.
- The fact that Argentina has resolved issues of carbon ownership which will allow the country to move forward immediately in the design of a benefit sharing mechanism.
- The quality of information available to develop a reference scenario and a MRV system associated with a clear identification of the information that is missing.
- The original idea a regional monitoring for ecosystem types common to neighboring countries.
- The concrete proposal to develop a MRV system for safeguards.

Issues of Concern from the TAP:

It was not easy to produce the Synthesis review as one of the TAP members had a very different view from the rest. These divergences were reconciled and the agreement to which it was reached is reflected in the contents of the present Synthesis review.

Among the issues which will have to be largely improved is that of the organizational arrangement of the REDD setup in Argentina. The inter-agency collaboration will have to be worked through thoroughly and the responsibility of each party clearly indicated.

The other issue that raised concerns is the Consultation Process in terms on how the concerns raised by stakeholders will be taken into account and processed as well as the way in which the Public Consultation and Disclosure Program will be managed.

Major Recommendations:

1. Due to the diversity of forest types and socio-economic conditions and of the communities that inhabit them in Argentina, it is recommended that diversity as to the causes of deforestation in each of the ecoregions be considered.
2. Therefore, it is necessary to develop eco-regional strategies to address all issues of REDD strategy for the specific conditions of each ecoregion. In this sense, more specific data and economic analysis is needed to improve the performance the ongoing program and to create other complementary initiatives, as necessary.
3. The structure of the Argentinean land tenure systems and mechanisms to conflict resolution must be improved in some cases and as well as a benefit-sharing scheme which has to be fair to the local communities.
4. A National accounting and reporting system has to be created, including the environmental and social benefits. Mechanisms to improve the performance the incentives based program also is an important element of the strategy. Besides constituting the implementation of a domestic incentive-based policy to tackle deforestation, these initiatives offer a framework to preparing a REDD strategy to set a road map to reduce deforestation and forest degradation and balance forest removals, in order to establish quantitative targets on scientific and empirical bases

Introduction

Argentina as well as some of the larger Latin American countries still has a large area of forest and diversified ecological landscapes. Population distribution and its character are diverse and unevenly spread across the country. Forestry wise, although Misiones, Entre Ríos and Mesopotamia have some relicts of coniferous forests, Argentina has a large area of mostly tropical and subtropical broad leaf forests and extensive areas of shrubs and woodlands which have been converted into pasture land.

Regarding the current status of forests areas, the country has faced over the last century a progressive process of deforestation which in recent decades has been aggravated by forest degradation. Only in the last decade, more than 2.5 million hectares of native forests have been deforested at a rate of 250,000 hectares per year.

Facing this situation the Government has decided to set actions to reduce deforestation. The Congress approved at the end of 2007, Law 26.331 regarding Minimum Standards for the Environmental Protection of the Native Forests. The operational rules of this law are under the National Decree 91 that established a pilot system program - the Experimental Program of Management and Conservation of Native Forests- in 2009.

The law established a mandatory provincial forest land financial investment plan in forest protection and management. Among others important aspects of the law is the participatory nature of the process for natural forests land use planning; the moratorium on deforestation until each province implements the program; the obligation to implement environmental impact evaluations and public audiences before authorizing forest harvesting plans, the ban on open air burning of the forest residues resulting from deforestation, the explicit recognition of indigenous communities, small and medium sized farmers bound to the forests and the creation of a National Fund aimed at compensating land owners that conserve forest and the environmental services they provide.

A tax has been established on export agriculture commodities, which will reach a significant investment fund. In addition the fund will provide financing to strengthen technical and control capacities of provincial governments. The fund will be used to improve sustainable development of productive activities of forest dwellers. According to the monitoring carried out by S AyDS in a deforestation hotspot area, the rate of deforestation fell by 60% on year after the sanction of the National Forest Law.

The implementation of the Forest Law and the experimental program meant an unprecedented advance in environmental matters for Argentina, but also a significant achievement in the participation of civil society and the involvement of provincial governments in an environmental protection standard. However, the full implementation of the law faces several difficulties that should be addressed. One key issue is the institutional capacity of provincial governments which have first to be transformed and improved. A control system with advanced technologies has to be set in order to address all challenges for full implementation of forest program in a large territory. An important technical support is needed to sustain current efforts and maximize results at the same time it creates a framework for the implementation of REDD. The financial resources available should be supported in the creation and perfection of delivery mechanisms that are cost effective and lead to the establishment of ambitious targets for reducing forest emissions.

The country is currently designing a forest inventory system based in permanent sample plots across the forests, and it has a system for monitoring forest cover which has been operated since 2005. The country also is developing a climate change strategy. At the political and institutional levels, National Parks Administration, the Directorate for Indigenous People in S AyDS, and the Participation Council of Indigenous people in the Social Development Ministry have a good background.

In this regard, management of national environmental governance has established a management paradigm that articulates a harmonious relationship of environment and production, including the creation of employment with decent quality and social inclusion as a priority bases its actions.

Review of R-PP by TAP

Component 1. Organize and Consult

Standard 1a: National Readiness Management Arrangements. The cross-cutting nature of the design and workings of the national readiness management arrangements on REDD, in terms of including relevant stakeholders and key government agencies beyond the forestry department, commitment of other sectors in planning and implementation of REDD readiness;

Comment:

However the presentation of the structures to be created, the inner relationships among their components and the rules governing their working plans is not completely clear. The presentation calls for the Secretary of the Environment and Sustainable Development (SAyDS) to be the coordinating agency. Although just a couple of paragraphs later it is mentioned that the REDD National Working Group (GTN-REDD) would take the coordination of the REDD activities, this is confusing and may pose leadership conflicts.

The organization in the way it has been set reveals that there are important sectors that are not represented, such as: unions, family-based producers, small and medium rural producers, and provincial. The incorporation of Second and Third Tier private organizations should be considered, as the Rural Society or the Agrarian Federation. The academic sector is underrepresented, it is specially noted the absence of the National Agricultural Technology Institute and the National Council on Scientific and Technical Research.

Standard has not been met.

Recommendations:

1. Clarify the organizational arrangement and indicate clearly the inter-agency collaboration and who would be responsible for what.
2. Explain which bodies are temporary (and why) and which are permanent.
3. An organigram showing the relationship between on the one hand the National Working Group (GTN-REDD) would clarify.
4. Recalculate the budget and justify with the activities to be undertaken in this section.

Standard 1b: Stakeholder Consultation and Participation. Ownership, transparency, and dissemination of the R-PP by the government and relevant stakeholders: Inclusiveness of effective and informed consultation and participation by relevant stakeholders, assessed in the following ways:

- i. the consultation and participation process for R-PP development thus far, the extent of ownership within government and REDD coordinating body, as well as in the broader national stakeholder community; and
- ii. The Consultation and Participation Plan included in the R-PP (which looks forward in time); and the inclusion of elements in the R-PP that adequately document the expressed concerns and recommendations of relevant stakeholders and propose a process for their consideration, and/or expressions of their support for the R-PP.

Comment:

Presently there is no formalized arrangement in place to ensure an effective participation process for the government and relevant stakeholders.

Even a specific working group will be created with the goal of building capacities and disseminating the REDD process and its strategy. There are as many federal coordinators as forest ecosystems, together with provincial focal points for REDD (about 20) who are intended to be created, thus increasing the functional complexity of the consultation and participation system (C&PS) required by the R-PP. The understanding of this complexity should be much facilitated with a diagram or flowcharts representing the hierarchical arrangement of the system components and also their mutual relationships. The flower-shaped representation shown in page 15 does not capture that complexity. Responsibilities, tasks and tentative deadlines should accompany the schematic depiction of the C&PS.

The R-PP develops a detailed listing of the various groups that have already met and that have been consulted. The perception is that although a Three Stages Plan has been identified, there is not a clear methodology on how to go about with the stakeholder's participation and consultation. There isn't an explanation on which are the main topics to be addressed by the different groups.

Standard has not been met.

Recommendations:

1. Clearly indicate how the consultation process would be undertaken.
2. Identify the main preliminary concerns raised by stakeholders.
3. It is suggested that goals, strategies and mechanisms be identified and discriminated for each stage of the Plan.
4. The contents of the Public Consultation and Disclosure Program should be clarified.
5. It is suggested that a diagram be included at the beginning of the section showing the main stakeholders and outlining the relation among them.

Component 2. Prepare the REDD Strategy

Standard 2.a: Assessment of Land Use, Forest Policy, and Governance: A completed assessment is presented that identifies major land use trends, direct and indirect deforestation and degradation drivers in the most relevant sectors in the context of REDD, and major land tenure and natural resource rights and relevant governance issues. It documents past successes and failures in implementing policies or measures for addressing drivers of deforestation and forest degradation, and identifies significant gaps, challenges, and opportunities to address REDD. The assessment sets the stage for development of the country's to directly address key land use change drivers

Comment:

There are sub-sections which might well be deleted because they do not contribute directly to the design of a REDD strategy, or interpretations which are debatable, or lack of clarity

in the text, or simply clarification of terms or concepts, to name but a few shortcomings that by no means invalidate what is written in the report.

As a matter of fact, the report presents an analysis of the causes of deforestation in native woodlands. Particular emphasis is put on the expansion of the soybean cropping. Although the expansion of agriculture has been the main driver for deforestation, other causes of it has traditionally been the collection of firewood, the production of charcoal, railroad crossties and tannins, and the manufacture of furniture are not even mentioned.

In summary, although abundant information is presented, at least for the case of soybean, such information is disconnected from other sectors and fails to present a clear identification of the drivers for deforestation and degradation.

Standard has not been met.

Recommendations:

1. Clearly identify and distinguish the drivers of deforestation and forest degradation
2. Indicate past successes and failures in addressing deforestation and forest degradation and say how the failures will be addressed in this R-PP so that they are not repeated.
3. Discuss how the issues plaguing poor enforcement are likely to be targeted going forward.

Standard 2.b: REDD strategy Options: Alignment of the proposed REDD strategy with the identified drivers of deforestation and forest degradation, and with existing national and sectoral strategies: the R-PP includes a summary of the emerging REDD strategy to the extent known presently, and of proposed analytic work (and, optionally, ToR) for assessment of the various REDD strategy options. This summary states:

1. how the country proposes to address deforestation and degradation drivers in the design of its REDD strategy;
2. early estimates of cost and benefits of the emerging REDD strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental benefits;
3. socioeconomic, political and institutional feasibility of the emerging REDD strategy;
4. major potential synergies or inconsistencies of country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD strategy; and
5. risk of domestic leakage of greenhouse benefits. The assessments included in the R-PP eventually should result in an elaboration of a fuller, more complete and adequately vetted REDD strategy over time.

Comment:

From the current report it is clear that no concrete strategy has been worked out; however, particular targets a future strategy should aim at are laid out in the current report

The strategy proposal lacks of the identification and analysis of potential synergies with other country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD strategy; the risk of domestic leakage of greenhouse benefits is not assessed.

It is felt that an analysis of the socio-economic and political background as well as a proposal of the institutional structure should be identified along with the strategy proposal. Risks and threats of implementing such strategy should be weighted, taking into account that some of the goals proposed (e.g., reduce the income of land use) are controversial.

Standard only partly met.

Recommendations:

1. Clearly identify what will be the country's REDD+ Strategy.
2. Demonstrate how the REDD+ Strategy will be nested within the country's larger developmental framework.
3. Conduct cost/benefit analyses of alternative economic activities

Standard 2.c: REDD implementation framework: Describes activities (and optionally provides ToR in an annex) to further elaborate institutional arrangements and issues relevant to REDD in the country setting that identifies key issues, explores potential arrangements to address them, and offers a work plan that seems likely to allow their full evaluation and adequate incorporation into the eventual Readiness Package.

Comment:

The current R-PP report states that a program will be set up with the aim to assessing the current legal and institutional frameworks 'related to the subject matter'. It is not clear which is the 'subject matter'; is it the 'REDD implementation framework'? This program could be a work plan for the implementation of REDD if it were better defined as to the pursuance of definite goals. A future version of the current report should clarify the nature of the 'subject matter' Otherwise it is not possible to know which would be the relevant legal and institutional frameworks.

The regulatory background is not deemed to be properly related to the implementation of the strategy, as it does not present a work plan conducive to generate the institutional agreements and arrangements required for the implementation of the strategy.

The legal framework is explained. Difficulties in adapting the current legislation and organizational setup to meet REDDS requirements are presented. A three Stages plan is identified to address this issue. The first stage addresses the institutional reform of the decentralized forestry administration. It does not provide detailed insights regarding the other two stages.

Standard partly met.

Recommendations:

1. Elaborate the institutional arrangement for the implementation of REDD.
2. Propose guidelines of a work plan conducive to generate the institutional agreements and arrangements required for the implementation of the strategy.

3. Propose concrete implementation activities for the conforming of the legal and institutional frameworks.

Standard 2.d: Assessment of social and environmental impacts: The proposal includes a program of work for due diligence for strategic environmental and social impact assessment in compliance with the Bank's safeguard policies, including methods to evaluate how to address those impacts via studies, consultations, and specific mitigation measures aimed at preventing or minimizing adverse effects.

Comment:

This section does not contain any of the key elements for a strategic environmental assessment. It is required that at least: goals, approaches and methodologies be considered for the assessment of the environmental and social impacts, not to mention World Bank safeguard policies.

The R-PP includes a detailed set of objectives of the Public Consultation and Divulcation Program. It does not include however, an evaluation methodology on how to address the identified impacts aimed at reducing or minimizing adverse effects.

The methodologies to be used for gathering the relevant information for this program and evaluating it are not described. A revised version of the current report should address this omission.

Standard has been partially met.

Recommendation:

1. Develop ToRs for this Component taking into consideration World Bank's guidelines.
2. Design a plan that will establish synergies among the various components.
3. Consultation with indigenous communities must be treated as a dialogue-based process in order to acquire free consent from such communities pursuant to the provisions of ILO Convention No. 169.
4. A mechanism should be proposed for the resolution of controversies in order to respond before any such controversies that may arise under the REDD program.

Component 3. Develop a Reference Scenario

Standard 3 Reference scenario: Present work plan for how the reference scenario for deforestation, and for forest degradation (if desired), will be developed, including early ideas on feasibility of which methods to use (e.g., scenario of forest cover change and emissions based on historical trends in emissions and/or based on projections into the future of historical trend data), major data requirements and capacity needs, and linkages to the monitoring system design.

(The FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

Comment:

The current R-PP report lacks a work plan for building a reference scenario.

The proposed work plan to develop the reference scenario to address deforestation it is not well analyzed so that it do not allow to realize how the reference scenario is going to be develop.

It is said that three scenarios are defined: (1) 'optimistic' (full enforcement of the native forests law), (2) 'pessimistic' (non-enforcement of the native forests law), and (3) 'intermediate' . The sources of data used for building these scenarios are given, but the methodologies used for processing the data are not.

Standard partly met.**Recommendation:**

1. Although information is given for the reduction of deforestation and related emissions, it is deemed that the guidelines of a work plan for the development of a background scenario should be included.
2. It is recommended that the section be re-written with the purpose of identifying the actions to adopt over the next few years to develop a background scenario.
3. Identify information sources used.

Component 4. Design a Monitoring System

Standard 4: Design a monitoring system: The R-PP provides a proposal for the initial design of an integrated monitoring system of measurement, reporting and verification of changes in deforestation and/or forest degradation. The system design should include early ideas on including capability (either within an integrated system, or in coordinated activities) to monitor other benefits and impacts, for example rural livelihoods, conservation of biodiversity, key governance factors directly pertinent to REDD implementation in the country, and to assess the impacts of the REDD strategy in the forest sector.

The R-PP should describe major data requirements, capacity requirements, how transparency of the monitoring system and data will be addressed, early ideas on which methods to use, and how the system would engage participatory approaches to monitoring by forest-dependent indigenous peoples and other forest dwellers. It should also address independent monitoring and review, involving civil society and other stakeholders, and how findings would be fed back to improve REDD implementation. The proposal should present early ideas on how the system could evolve into a mature REDD monitoring system with this full set of capabilities.

(The FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

Comment:

The R-PP report does not contain a proposal for the initial design of an integrated monitoring system of measurement, reporting and verification of deforestation and/or forest degradation.

The proposal although provides ideas on how to monitor other benefits and impacts, for example rural livelihoods, conservation of biodiversity, key governance factors directly pertinent to REDD implementation in the country, they are not all that developed.

According to the Argentina R-PP cutting-edge technology is already in place in order to capture data.

As far as standard is concerned, the proposed indicators are not relevant for the monitoring of social impacts and benefits. The Unsatisfied Basic Needs indicator is only surveyed every 10 years (upon Population and Housing National Censuses) and is quite scoped to the characteristics of the population's housing and other variables unrelated to the issue of REDD concern.

It states that the IRAM (The Argentinean Standards Institute) would be the independent monitoring and reviewing organization, who would be responsible for involving civil society and other stakeholders, this organization would also be responsible for reporting to produce feedbacks to improve REDD implementation, which is not advisable as at the end is still an Argentinean organization..

Standard partially met.

Recommendations:

1. Identify clearly what is to be monitored and how this will be done.
2. Identify the capacity constraints and indicate how these will be addressed.
3. Indicate scope for independent verification
4. The description of the task(s) assigned to each member of GTN-REDD should be improved.
5. A fully independent verification organization should be used. IRAM is an Argentinean organization that might have conflicting interests.

Component 5. Schedule and Budget

Standard 5: Completeness of information and resource requirements. The R-PP proposes a full suite of activities to achieve REDD readiness, and identifies capacity building and financial resources needed to accomplish these activities. A budget and schedule for funding and technical support requested from the FCPF, as well as from other international sources (e.g., UN-REDD or bilateral assistance) are summarized by year and by potential donor. The information presented reflects the priorities in the R-PP, and is sufficient to meet the costs associated with REDD readiness activities identified in the R-PP, or gaps in funding are clearly noted.

Comment:

The Schedule and Budget report is simple a summary of the previous individual budget proposals, it does not present a detailed description of the technical support, capacity building or other financial requirements. It does not identify fund sources; this is funds requested from the FCPF, as well as from other international sources. The way in which the final table is structured does not provide information as to the funding from potential donors by year.

The information presented does not reflect the priorities in the R-PP and will require further elaboration.

Incidentally, the figures in the table in page 76 are presented as amounts to be requested to FCPF, but in at least one case the figures shown are the sum of the money to be requested to the FCPF and the money to be defrayed by the Argentinean government. It is the case on Component 3. From Table 3 (page 63) the proposed 4-year budget is USD 1,225, of which about 55.1 per cent would be requested to FCPF and 44.9 per cent would be contributed by the Argentinean government.

This standard has not been met.

Recommendations:

1. Provide some justification for the amounts arrived at in the budgets.
2. Indicate what would come from the FCPF and also indicate what existing funds are and what the new funds are.
3. A revised version of the current report should indicate how the figures in the table in page 76 are obtained.

Component 6. Design a Program Monitoring and Evaluation Framework

Standard 6: Design a Program Monitoring and Evaluation Framework. Adequately describes the indicators that will be used to monitor program performance of the Readiness process and R-PP activities, and to identify in a timely manner any shortfalls in performance timing or quality. The R-PP demonstrates that the framework will assist in transparent management of financial and other resources, to meet the activity schedule.

Comment:

This component was considered to be optional, although it is instrumental in describing the indicators that will be used to monitor program performance of the Readiness process and R-PP activities. It is also useful to identify in a timely manner any shortfalls in performance timing or quality. The R-PP demonstrates that the framework will assist in transparent management of financial and other resources, to meet the activity schedule.

Standard not met as the R-PP neglected to complete this section

Recommendation:

1. Provide some comments and possible elaborate a Monitoring and Evaluation Framework of the R-PP itself.
2. Prepares a detailed budget of this component.

In Summary,

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|----------------|---------------------------|
| Component 1 a) | Standard has not been met |
| Component 1 b) | Standard has not been met |

Component 2 a)	Standard has not been met
Component 2 b)	Standard only partially met
Component 2 c)	Standard only partially met
Component 2 d)	Standard only partially met
Component 3	Standard only partially met
Component 4	Standard only partially met
Component 5	Standard has not been met
Component 6	Standard not met